



Received & Inspected

June 30, 2016

JUL - 1 2016

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

DOCKET FILE COPY ORIGINAL FCC Mallroom

Re: Connect America Fund, WC Docket No. 14-58, 47 CFR § 54.313 Annual Reporting Requirements for High-Cost Recipients (Form 481)

Dear Ms. Dortch:

Attached please find Wamego Telecommunications Company, Inc.'s high-cost support recipient annual report pursuant to 47 CFR § 54.313 (Form 481).

Wamego Telecommunication Company, Inc. is filing certain financial information, reported pursuant to 47 CFR § 54.313(f)(2), as confidential under the March 22, 2016 Protective Order (DA 16-296). Pursuant to that Order, each page of this filing has been marked "REDACTED - FOR PUBLIC INSPECTION." The non-redacted version of this information has been marked "CONFIDENTIAL INFORMATION - SUBJECT TO PROTECTIVE ORDER BEFORE THE FEDERAL COMMUNICATIONS COMMISSION." As such, Wamego Telecommunication Company, Inc. requests that the non-redacted version of its submission be withheld from public inspection.

Wamego Telecommunication Company, Inc. is also requesting confidential treatment of certain information being filed pursuant to 47 CFR § 54.202(a)(1)(ii) and 54.313(a)(1) (five year service quality improvement plan) under 47 CFR § 0.457 and 0.459. The redacted version of this filing has been marked "REDACTED - FOR PUBLIC INSPECTION." The non-redacted version has been marked "CONFIDENTIAL - NOT FOR PUBLIC INSPECTION."

Pursuant to 47 CFR § 0.459, Wamego Telecommunication Company, Inc. offers the following in support of its request for confidential treatment of certain information.

- *Identification of the specific information for which confidential treatment is sought:* Wamego Telecommunication Company, Inc. seeks confidential treatment of the five year service quality improvement plan required per 47 CFR § 54.202(a)(1)(ii) and 54.313(a)(1),
- *Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission:* Wamego Telecommunication Company, Inc. is providing the five year service quality improvement plan as part of its annual high-cost support recipient report per 47 CFR § 54.313.
- *Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged:* Wamego Telecommunication Company, Inc. considers the information to be highly sensitive in that it contains statements about the Company's future investment plans, and discusses specific equipment and strategies the Company will utilize to provide services.

No. of Copies rec'd 0
List ABCDE

REDACTED - FOR PUBLIC INSPECTION

Marlene H. Dortch
Federal Communications Commission

June 30, 2016
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- *Explanation of the degree to which the information concerns a service that is subject to competition:* Wamego Telecommunication Company, Inc. provides voice and broadband services that are in competition with various landline and wireless providers; thus, the investment data disclosed is related to services subject to competition to a high degree.
- *Identification of any measures taken by the submitting party to prevent unauthorized disclosure:* Wamego Telecommunication Company, Inc. makes the data being provided available only to employees, consultants, and attorneys on a limited, need-to-know basis.
- *Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties:* The information is not publicly available.
- *Justification of the period during which the submitting party asserts that material should not be available for public disclosure:* Wamego Telecommunication Company, Inc. requests that the data provided be treated as confidential indefinitely. Due to the sensitive nature of the data, it would not be appropriate for public disclosure at any time in the foreseeable future.
- *Any other information that the party seeking confidential treatment believes may be useful in assessing whether its request for confidential treatment should be granted:* None.

Accordingly, Wamego Telecommunication Company, Inc. requests confidential treatment of the five year service quality improvement plan pursuant to section 0.457 and 0.459 of the Commission's rules.

The redacted version of this Form 481 submission will be filed via the Commission's Electronic Comment Filing System (ECFS) in the above-captioned docket.

If you have any questions about this filing, please contact the undersigned.

Sincerely,



Jeff Wick

Attachment

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	411845
<015>	Study Area Name	WAMEGO TEL CO INC
<020>	Program Year	2017
<030>	Contact Name: Person USAC should contact with questions about this data	JEFF WICK
<035>	Contact Telephone Number: Number of the person identified in data line <030>	7854561000 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	jwick@wtcks.com
	Form Type	54.313 and 54.422

Received & Inspected**JUL 1 2016****FCC Mailroom**

**(100) Service Quality Improvement Reporting
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	411845
<015>	Study Area Name	WAMEGO TEL CO INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	JEFF WICK
<035>	Contact Telephone Number - Number of person identified in data line <030>	7854561000 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jwick@wtkc.com

<110>	Has your company received its ETC certification from the FCC?	<input checked="" type="radio"/> (yes) <input type="radio"/> (no)
<111>	If your answer to Line <110> is yes, do you have an existing "5 year plan" filed with the FCC?	<input checked="" type="radio"/> (yes) <input type="radio"/> (no)

If your answer to Line <111> is yes, please file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

411845KS112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113>	Maps detailing progress towards meeting plan targets	Yes
<114>	Report how much universal service (USF) support was received	Yes
<115>	How much (USF) was used to improve service quality and how support was used to improve service quality	Yes
<116>	How much (USF) was used to improve service coverage and how support was used to improve service coverage	Yes
<117>	How much (USF) was used to improve service capacity and how support was used to improve service capacity	Yes
<118>	Provide an explanation of network improvement targets not met in the prior calendar year.	Not Applicable

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

[illegible]

**(300) Unfulfilled Service Request
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010> Study Area Code

411845

<015> Study Area Name

WAMEGO TEL CO INC

<020> Program Year

2017

<030> Contact Name - Person USAC should contact regarding this data

JEFF WICK

<035> Contact Telephone Number - Number of person identified in data line <030>

7854561000 ext.

<039> Contact Email Address - Email Address of person identified in data line <030>

jwick@tcks.com

<300> Unfulfilled service request (voice)

<310> Detail on attempts (voice)

Name of Attached Document

<320> Unfulfilled service request (broadband)

<330> Detail on attempts (broadband)

Name of Attached Document

(400) Number of Complaints per 1,000 customers
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010> Study Area Code 411845

<015> Study Area Name WAMEGO TEL CO INC

<020> Program Year 2017

<030> Contact Name - Person USAC should contact regarding this data JEFF WICK

<035> Contact Telephone Number - Number of person identified in data line
<030> 7854561000 EXT.

<039> Contact Email Address - Email Address of person identified in data line
<030> jwick@wvccs.com

<400> Select from the drop-down list to indicate how you would like to report
voice complaints (zero or greater) for voice telephony service in the prior
calendar year for each service area in which you are designated an ETC for
any facilities you own, operate, lease, or otherwise utilize. Offered only fixed voice

<410> Complaints per 1000 customers for fixed voice 0.0

<420> Complaints per 1000 customers for mobile voice

<430> Select from the drop-down list to indicate how you would like to report
end-user customer complaints (zero or greater) for broadband service in
the prior calendar year for each service area in which you are designated
an ETC for any facilities you own, operate, lease, or otherwise utilize. Offered only fixed broadband

<440> Complaints per 1000 customers for fixed broadband 0.0

<450> Complaints per 1000 customers for mobile broadband

**(500) Compliance With Service Quality Standards and Consumer Protection Rules
Data Collection Form**FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	411845
<015>	Study Area Name	WAMEGO TEL CO INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	JEFF WICK
<035>	Contact Telephone Number - Number of person identified in data line <030>	7854561000 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jwick@wicks.com
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes
		411845KS510.pdf
<510>	Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance	

(600) Functionality in Emergency Situations Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

<010> Study Area Code	411845
<015> Study Area Name	WAMIGO TEL CO INC
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	JEFF NICK
<035> Contact Telephone Number - Number of person identified in data line <030>	7854561000 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	jwickawtcka.com
<600> Certify compliance regarding ability to function in emergency situations	Yes
<610> Descriptive document for Functionality in Emergency Situations	411845KS610.pdf

<010>	Study Area Code	411845
<015>	Study Area Name	WABIGO TEL CO INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	JEFF WICK
<035>	Contact Telephone Number - Number of person identified in data line <030>	7850
<039>	Contact Email Address - Email Address of person identified in data line <030>	jwick@

<701>	Residential Local Service Charge Effective Date	1/1/2016
<702>	Single State-wide Residential Local Service Charge	17.0

[illegible]

Study Area Code

Study Area Name
<015>

WAMEGO TEL CO INC

Program Year

2017

<030>	Contact Name - Po

Contact Name - Person USAC should contact regarding this data

JEFF WICK

<035> Contact Telephone

Contact Telephone Number - Number of person identified in data line <030>
7854561000 ext.

<039> Contact Email Address

Contact Email Address - Email Address of person identified in data line <030> jwick@wtckg.com

[illegible]

**(800) Operating Companies
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010> Study Area Code

411845

<015> Study Area Name

WAMEGO TEL CO INC

<020> Program Year

2017

<030> Contact Name - Person USAC should contact regarding this data

JEFF WICK

<035> Contact Telephone Number - Number of person identified in data line <030>

7854561000 ext.

<039> Contact Email Address - Email Address of person identified in data line <030>

jwick@wicks.com

<810> Reporting Carrier

Wamego Telecommunications Co., Inc.

<811> Holding Company

Wamego Telephone Company, Inc.

<812> Operating Company

Wamego Telecommunications Co., Inc.

<813>

<a1>

Affiliates

<a2>

SAC

<a3>

Doing Business As Company or Brand Designation

-- See attached worksheet --

(900) Tribal Lands Reporting
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	411845
<015>	Study Area Name	WAMEGO TEL CO INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	JEFF WICK
<035>	Contact Telephone Number - Number of person identified in data line <030>	7854561000 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jwick@wt-cls.com

<900> Does the filing entity offer tribal land services? (Y/N)

No

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning.
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable

(1000) Voice and Broadband Service Rate Comparability
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	411845
<015>	Study Area Name	WAMEGO TEL CO INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	JEFF WICK
<035>	Contact Telephone Number - Number of person identified in data line <030>	7854561000 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jwick@wtcks.com

<1000> Voice services rate comparability certification Yes

411845KS1010.pdf

<1010> Attach detailed description for voice services rate comparability compliance

Name of Attached Document

Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau

<1020> Broadband comparability certification

<1030> Attach detailed description for broadband comparability compliance

Name of Attached Document

(1100) No Terrestrial Backhaul Reporting Data Collection Form		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013	
<010>	Study Area Code	411845	
<015>	Study Area Name	WAMGO TEL CO INC	
<020>	Program Year	2017	
<030>	Contact Name - Person USAC should contact regarding this data	JEFF WICK	
<035>	Contact Telephone Number - Number of person identified in data line <030>	7854561000 ext.	
<039>	Contact Email Address - Email Address of person identified in data line <030>	jwick@wtckg.com	

<1100>	Certify whether terrestrial backhaul options exist (Y/N)	<div>Yes</div>
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<1130>	Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).	<div></div>
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(1200) Terms and Condition for Lifeline Customers

Lifeline

Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	411845
<015>	Study Area Name	NAMEGO TEL CO INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	JEFF WICK
<035>	Contact Telephone Number - Number of person identified in data line <030>	7854561000 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jwick@wtcks.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

<1220> Link to Public Website

HTTP

<http://www.wtcks.com/voice/68/special-services>

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒

<1222> Details on the number of minutes provided as part of the plan, ☒

<1223> Additional charges for toll calls, and rates for each such plan. ☒

(2000) Price Cap Carrier Additional Documentation

Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<010>	Study Area Code	411845
<015>	Study Area Name	WAMEGO TEL CO INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	JRFP WICK
<035>	Contact Telephone Number - Number of person identified in data line <030>	7854561000 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jwick@tcks.com

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

<2010> 2nd Year Certification 47 CFR § 54.313(b)(1)(i) - Note that for the July 1

2016 certification, this applies to Round 2 recipients of Incremental

Support

<2011> 3rd Year Certification 47 CFR § 54.313(b)(1)(ii) - Note that for the July 1

2016 certification, this applies to Round 1 recipients of Incremental

Support

<2022> Recipient certifies, representing year two after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.

<2023> The attachment on line 2024 includes a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent. This covers year two - 54.313(b)(2)(ii). Round 2 recipients only.

<2024A> Round 2 Recipient of Incremental Support?

<2024B> Attach list of census blocks indicating where funding was spent in year two - 54.313(b)(2)(ii). Round 2 recipients only.

<2025A> Round 1 or Round 2 Recipient of Incremental Support?

<2025B> Attach geocoded information for Phase I milestone reports (Round 1 for year three and Round 2 for year two) - Connect America Fund, WC Docket 10-90, Report and Order, FCC 13-

<2015> 2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)

Name of Attached Document Listing
Required Information

Name of Attached Document Listing
Required Information

(2000) Price Cap Carrier Additional Documentation (Continued)

Data Collection Form

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

FCC Form 481

OMB Control No. 3060-0985/OMB Control No. 3060-0819

July 2013

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

<2016> Certification support used to build broadband

Connect America Phase II Reporting {47 CFR § 54.313(e)}

<2017A> Connect America Fund Phase II recipient?

<2017B> Attach information for Phase II - 54.313(e)(1) - list of geocoded locations already meeting the 54.309 public interest obligations at the end of calendar year 2015 and total amount of Phase II support, if any, the price

Name of Attached Document Listing
Required Information

cap carrier used for capital expenditures in 2015.

<2018> Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(2)(ii)

Name of Attached Document Listing
Required Information

<2019> Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(2)(v)

<2020> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 40% of its supported locations in the state on December 31, 2017 - 54.313(e)(3)

<2021> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 60% of its supported locations in the state on December 31, 2018 - 54.313(e)(4)

<2026> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 80% of its supported locations in the state on December 31, 2019 - 54.313(e)(5)

<2027> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 100% of its supported locations in the state on December 31, 2020 - 54.313(e)(6)

<010>	Study Area Code	411845
<015>	Study Area Name	WAMEGO TEL CO INC
<020>	Program Year	2017
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<035>	Contact Telephone Number - Number of person identified in data line <030>	7854561000 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jwick@wtcks.com

Complete the items below to note compliance with five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3009) Progress Report on 5 Year Plan
Carrier certifies to 54.313(f)(1)(iii)

Yes - Attach Certification

(3010A) Milestone Certification {47 CFR § 54.313(f)(1)(i)}

411845XS3010.pdf

(3010B) Please Provide Attachment

Name of Attached Document Listing Required
Information

(3012A) Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}

Not Applicable - No Attachment Required

(3012B) Please Provide Attachment

Name of Attached Document Listing Required
Information

(3013) Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}

(Yes/No)

☒ ☐

(3014) If yes, does your company file the RUS annual report

(Yes/No)

☐ ☒

Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)

☐

(3016) Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows

☐

(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

Name of Attached Document Listing Required
Information

(3018) If the response is no on line 3014, is your company audited?

(Yes/No)

☒ ☐

If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:

(3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers

☒

(3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

☒

(3021) Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit.

☒

If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:

(3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers

☐

(3023) Underlying information subjected to a review by an independent certified public accountant

☐

(3024) Underlying information subjected to an officer certification.

☐

(3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

☐

(3026) Attach the worksheet listing required information

Name of Attached Document Listing Required
Information

411845XS3026.pdf

(3005) Rate Of Return Carrier Additional Documentation (Continued)		FCC Form 481
Data Collection Form		OMB Control No. 3060-0986/OMB Control No. 3060-0819
		July 2013

<01>	Study Area Code	411845
<01>	Study Area Name	WANE GO TEL CO INC
<02>	Program Year	2017
<03>	Contact Name - Person USAC should contact regarding this data	JEFF WICK
<03>	Contact Telephone Number - Number of person identified in data line <03>	7854561000 ext.
<03>	Contact Email Address - Email Address of person identified in data line <03>	twick@wncs.com

Financial Data Summary

(3027) Revenue	15353384
(3028) Operating Expenses	10658527
(3029) Net Income	2783832
(3030) Telephone Plant In Service(TPIS)	49833621
(3031) Total Assets	34285804
(3032) Total Debt	13410838
(3033) Total Equity	20874966
(3034) Dividends	604444

(4005) Rural Broadband Experiment Additional Documentation Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/DMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	411845
<015>	Study Area Name	WAMBO TEL CO INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	JEFF WICK
<035>	Contact Telephone Number - Number of person identified in data line <030>	7854581000 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jwick@wicks.com

4005 Rural Broadband Experiment

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations, provide a list of newly served community anchor institutions, and provide a list of locations where broadband has been deployed.

Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)

Please address Line 4001 regarding compliance with the Commission's public interest obligations. All RBE participants must provide a response to Line 4001.

4001. Recipient certifies that it is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas?

Community Anchor Institutions – FCC 14-98 (paragraph 79)

4003a. RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

If yes to 4003A, please provide a response for 4003B.

4003b. Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year.

Name of Attached Document Listing Required Information _____

Broadband Deployment Locations – FCC 14-98 (paragraph 80)

4004a. Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing deadline for the FCC Form 481.

Name of Attached Document Listing Required Information _____

4004b. Attach evidence demonstrating that the recipient is meeting the relevant public service obligations for the identified locations. Materials must at least detail the pricing, offered broadband speed and data usage allowances available in the relevant geographic area.

Name of Attached Document Listing Required Information _____

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

<010> Study Area Code	411845
<015> Study Area Name	WAMEGO TEL CO INC
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	JEFF WICK
<035> Contact Telephone Number - Number of person identified in data line <030>	7854561000 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	jwick@wtcks.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier: WAMEGO TEL CO INC	
Signature of Authorized Officer: CERTIFIED ONLINE	Date 06/28/2016
Printed name of Authorized Officer: Jeff Wick	
Title or position of Authorized Officer: President	
Telephone number of Authorized Officer: 7854561011 ext.	
Study Area Code of Reporting Carrier: 411845	Filing Due Date for this form: 07/01/2016
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 381 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	411845
<015> Study Area Name	WAMEGO TEL CO INC
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	JEFF WICK
<035> Contact Telephone Number - Number of person identified in data line <030>	7854561000 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	jwick@wtcks.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: _____	
Name of Authorized Agent Firm: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Name of Authorized Agent Employee: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

411845

WAMEGO TEL CO INC

2017

JEFF WICK

7854561000 ext.

jwick@wtcks.com

1/1/2016

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FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

411845

WAMEGO TEL CO INC

2017

JEFF WICK

7854561000 ext.

[illegible][illegible][illegible]

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

[illegible]

Wamego Telecommunications Company, Inc. (SAC 411845)
Five Year Service Quality Improvement Plan Progress Report
For the 2016 Reporting Year
Per 47 CFR § 54.313(a)(1)

I. Discussion

Wamego Telecommunications Company, Inc. (WTC), an ETC designated by the Kansas Corporation Commission, hereby submits this five year service quality improvement plan (*Plan*) as required by 47 CFR § 54.313(a)(1). WTC is an incumbent carrier with a service area in the state of Kansas, with 4,630 access lines as of 12/31/2015 in three exchanges. WTC is a rate-of-return (RoR) regulated carrier.

The plan reflected herein represents WTC's ongoing efforts to expand, operate, and maintain high quality, reasonably-priced voice and broadband services throughout its service area. WTC has generated and filed in 2014 a five-year plan in compliance with the Federal Communication Commission's (Commission) rules, although the out years in the plan (years 3-5) are highly speculative in nature and thus will likely change, sometimes substantially, in future progress updates filed with the Commission. Reasons for the speculative nature of years 3-5 of the Plan include (1) the unknown nature of universal service support in those years, in light of the Commission's USF/ICC Transformation Order, (2) the difficulty in forecasting customer counts, demand, and other factors directly affecting network demand, and (3) the rapid pace of technological innovations in the communications industry makes it difficult to plan more than one or two years in advance with any degree of accuracy.

The Plan presented herein by necessity includes expenditures not directly tied to "improvements or upgrades" of WTC's network, such as amounts for the maintenance and upkeep of existing telecommunications plant. In order for the Commission to accurately consider the capital and operating expenditures as related to and supported by the federal universal service programs, these types of costs are critical for such an understanding.

II. Five Year Plan Update

WTC's service quality improvement and investment plan consists of two major components: (1) capital expenditures it sees as necessary to meet the voice and broadband public interest obligations as adopted by the Commission, state service quality and network build out requirements, and general upkeep and maintenance of its network; and (2) operating expenditures necessary to meet the same obligations.

Exchange	Jul-Dec 2016	2017	2018	2019
CapEx - Wamego	\$ 589,223	\$ 603,867	\$ 981,284	\$ 981,284
CapEx - St. George	\$ 480,265	\$ 136,930	\$ 222,511	\$ 222,511
CapEx - Paxico	\$ 45,512	\$ 59,203	\$ 96,204	\$ 96,204
OpEx - All Exchanges	\$ 120,000	\$ 280,000	\$ 360,000	\$ 360,000

The total amount of CapEx has not changed but amounts assigned to particular exchanges have been adjusted to reflect the most current capital plans. OpEx has been increased to recognize operating and inflationary adjustments.

III. Progress Report

A. Maps

Section 54.313(a)(1) requires that all recipients of high cost support are to provide maps depicting the progress made during the current reporting period. The Company is providing a map showing progress in regards to its five year service quality plan through June 30, 2016, and is provided at the wire center or census block level, as applicable.

B. Universal Service Support Received

Section 54.313(a)(1) requires that all recipients of high-cost support provide an explanation of how much universal service support was received during the reporting period. For this year's Progress Report, the amount of universal service support received will be for the 6 months ended June 30, 2016. The Company received the following universal service support amounts during the period January 1, 2016 through June 30, 2016:

	\$1,031,103
	0
	0
	1,371,108
	195,408
	\$2,597,252

Of the total amount of support received shown above, the Company estimates that approximately 40% was used for capital expenditures and 60% was used for operating expenditures.

C. How Universal Service Support Was Used

Section 54.313(a)(1) also requires all recipients of high-cost support to provide an explanation of how the universal service support received was used to improve service quality, coverage, or capacity. The universal service support received by the Company is either based on (1) actual overall revenue requirements, as determined by associated FCC rules, or (2) the replacement of certain interstate and intrastate access revenues. This support is added to the Company's general funds and the expenditure of such support is not separately tracked, nor is it practical to do so.

Overall, any support expended pursuant to the investment and operating expense budgets presented in the Company's five year service quality improvement plan will be used to increase coverage and capacity, via additional investment in voice and broadband-capable infrastructure, and improve service quality, via expenditures for continued operations and maintenance. By the very nature of the FCC rules that give rise to the universal service support received, the Company clearly expends such funding to support regulated operations and thus serves to improve broadband and voice coverage, capacity and service quality. Therefore, due to the reimbursement nature of the HCLS and ICLS mechanisms, all support received was already expended to increase coverage, capacity and service quality.

improvement through qualifying capital investments and the qualifying operating expenses that support them.

As for projects completed during the progress report period, the Company deployed fiber-to-the-premises to approximately 165 customers and added fiber backbone in the St. George and Paxico exchange to provide higher broadband speeds to all customers. Currently, 10/1 Mbps broadband service is available to 99% of the Company's service area.

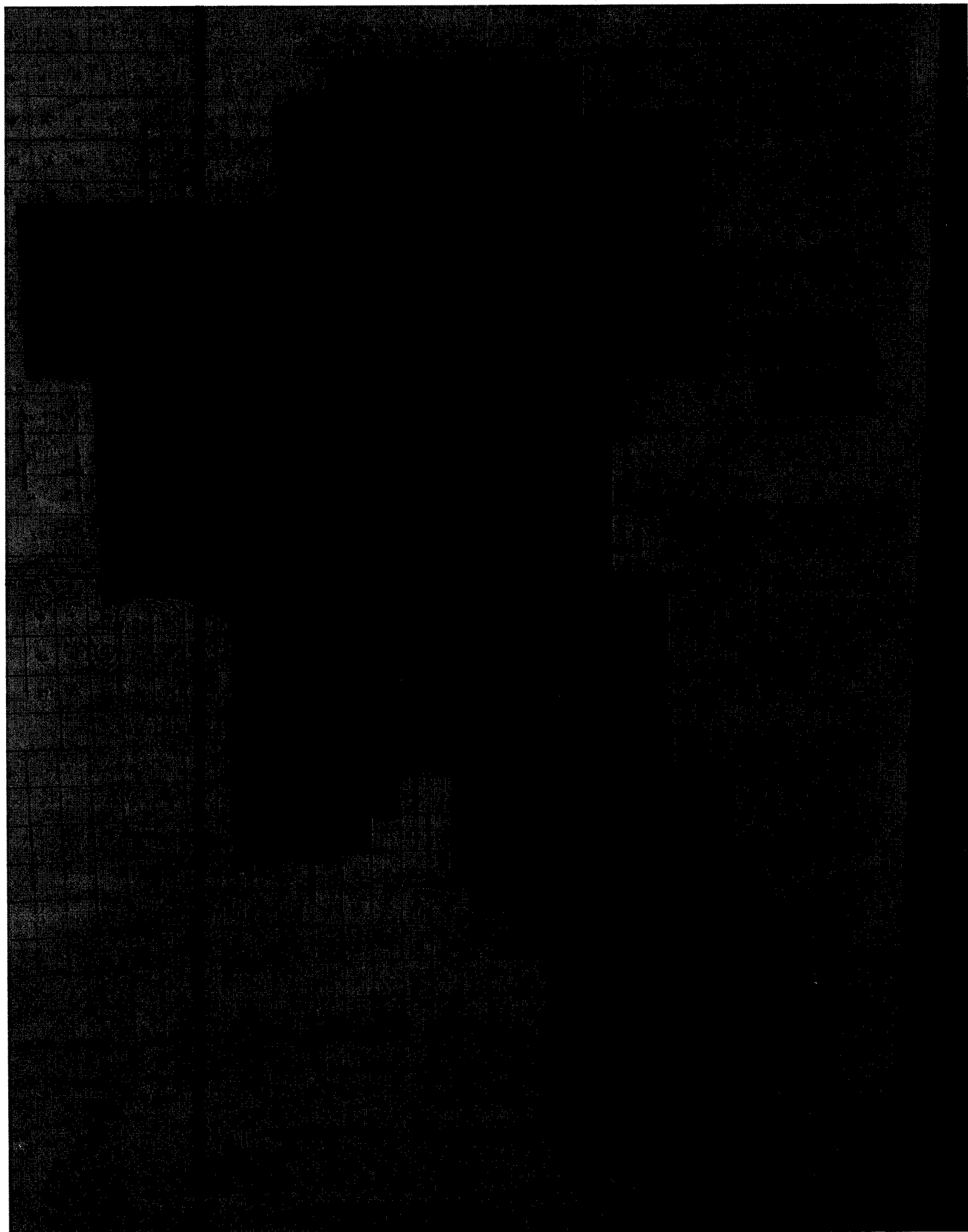
D. Network Improvement Targets

Section 54.313(a)(1) requires all recipients of high cost support to provide an explanation of any network improvement targets that have not been fulfilled in the prior calendar year. Since the Company filed its initial five year service quality improvement plan in 2014, the company has met its network targets.

IV. Considerations

The investment and service quality improvement plans discussed above were generated, in part, to meet or exceed the broadband public interest obligations adopted by the Commission. It should be noted that WTC does not provide Internet access service, but is instead provided by an WTC affiliate. The following statements are made with that consideration:

- *Speed* - at least 10 mbps upstream and 1 mbps downstream
- *Latency* - 100mS or less, sufficient for real-time applications
- *Capacity* - WTC's affiliate provides unlimited monthly capacity to customers.
- As an RoR-regulated carrier, WTC is required pursuant to 47 CFR § 54.313(f)(1)(i) to provide broadband service at 10 meg/1 meg upon reasonable request and within a reasonable timeframe. As a result, the Plan contained herein takes into account this requirement by meeting all such requests for broadband service within the overall service guidelines adopted by the Kansas Corporation Commission.
- WTC determines into which areas the extension of its network is feasible by analyzing relevant factors such as population, demand, costs, likely revenues, regulatory requirements, and availability of work force and materials.



Wamego Telecommunications Company (SAC 411845)

Statement Regarding Compliance with Service Quality Standards and Consumer Protection Rules

47 CFR § 54.313(a)(5)

Form 481, Line 510

Wamego Telecommunications Company (WTC) is an incumbent local exchange carrier operating in the state of Kansas, and is an eligible telecommunications carrier (ETC) designated by the Kansas Corporation Commission (KCC). As such, WTC is subject to the regulatory authority of the KCC and operates under the relevant rules and laws of the state of Kansas.

WTC is subject to the service quality standards and consumer protection standards adopted by the KCC and that are applicable to ILECs in the state of Kansas. These standards are contained in Orders adopted by the KCC in Docket No. 95-GIMT-047-GIT (specifically the KCC Order dated May 23, 2008) and Docket No. 06-GIMT-187-GIT. The consumer protection standards are also contained in WTC's local tariff that is on file with the KCC.

Apart from effective internal procedures and operations, WTC ensures compliance with all applicable service quality and consumer protection rules through KCC enforcement, which entails the operation of an effective customer complaint process. KCC is required to respond to customer complaints and other service quality-related inquiries from the KCC in a reasonable time frame. WTC consistently meets or exceeds all KCC-adopted standards, and reports to this effect via all required KCC processes.

Finally, WTC has established internal procedures to ensure compliance with the Federal Communications Commission's Customer Proprietary Network Information (CPNI) rules that include, but are not limited to, periodic employee training and maintenance of written company CPNI procedures. WTC certifies its compliance with the Commission's CPNI rules by making annual filings as required in 47 CFR § 64.2009(e).

Wamego Telecommunications Company (SAC 411845)

Statement Regarding the Ability to Function in Emergency Situations

47 CFR § 54.313(a)(6)

Form 481, Line 610

Wamego Telecommunications Company (WTC) is an incumbent local exchange carrier operating in the state of Kansas, and is an eligible telecommunications carrier (ETC) designated by the Kansas Corporation Commission (KCC). As such, WTC is subject to the regulatory authority of the KCC and operates under the relevant rules and laws of the state of Kansas.

WTC is subject to KCC rules regarding the ability to remain functional in emergency situations by (1) maintaining at least eight hours of backup power to ensure functionality without local alternating current (AC) commercial power, (2) establishing the ability to reroute traffic around damaged facilities and to manage traffic spikes resulting from emergency situations, and (3) establishing procedures for employees to follow in an emergency to prevent or minimize interruption or impairment of telecommunications services.

WTC has four fixed generators, one at each Central Office. WTC also has ten portable generators capable of providing the required level of backup power, and that can be deployed as necessary to WTC's switching and remote sites. WTC's network is capable of rerouting traffic around damaged facilities, although this ability is not absolute and may be limited in certain circumstances. However, WTC follows all industry standard practices in ensuring its network remains functional during different types of emergency situations.

Wamego Telecommunications Co., Inc. (SAC 411845)

Statement Regarding Voice Rate Comparability

47 C.F.R. § 54.313(a)(10)

Form 481, Line 1010

Wamego Telecommunications Co., Inc. (WTC) is a rural, rate of return regulated incumbent local exchange carrier operating in the state of Kansas, and is an eligible telecommunications carrier (ETC) designated by the Kansas Corporation Commission (KCC). As such, WTC is subject to the regulatory authority of the KCC and operates under the relevant rules and laws of the state of Kansas.

WTC hereby certifies that the pricing of its voice services is no more than two standard deviations above the national average urban rate for voice service, \$47.48, as specified in a 2015 Public Notice issued by the Wireline Competition Bureau of the Federal Communications Commission.

WTC's residential voice service rates, including state fees and the federal subscriber line charge (SLC) are as follows.

Monthly rate for exchange 'Wamego' is \$24.61.

Monthly rate for exchange 'St. George' is \$24.61.

Monthly rate for exchange 'Paxico' is \$24.61.

Average monthly rate is \$24.61.

Wamego Telecommunications Company, Inc. (SAC 411845)

Progress Report on 5 Year Plan – Milestone Certification

47 C.F.R. § 54.313(f)(1)(i)

Form 481, Line 3010

Wamego Telecommunications Company, Inc. hereby certifies pursuant to 47 CFR 54.313(f)(1)(i) that it is taking all reasonable steps to provide, upon reasonable request, broadband service at actual speeds of at least 10 mbps downstream and 1 mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas, and that requests for such service are met within a reasonable time frame.

Wamego Telephone Company, Inc.

Wamego, Kansas

**CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY
INFORMATION WITH INDEPENDENT AUDITORS' REPORT**

December 31, 2015 and 2014



**K • C O E
I S O M**

Wamego Telephone Company, Inc.**DIRECTORS AND OFFICERS**December 31, 2015

DIRECTORS	Address	Principal Business
Junior L. Clark	Wamego, Kansas	Retired
Lisa Diederich	Wamego, Kansas	Businesswoman
Michael A. Rice	Wamego, Kansas	Retired
Steven L. Sackrider	Wamego, Kansas	Retired
Dale Schaff	Wamego, Kansas	Retired
Lance White	Wamego, Kansas	Businessman
C.R. Worthing	Wamego, Kansas	Businessman

OFFICERS	Principal Business
Junior L. Clark	Chairman of the Board
C.R. Worthing	Vice-President
Suzanne Hemphill	Secretary/Treasurer
Jeff Wick	General Manager/President

Wamego Telephone Company, Inc.**TABLE OF CONTENTS**December 31, 2015

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Wamego Telephone Company, Inc.
Wamego, Kansas

We have audited the accompanying consolidated financial statements of Wamego Telephone Company, Inc. (a Kansas Corporation) and its subsidiaries (together, the Company), which comprise the consolidated balance sheets as of December 31, 2015 and 2014; the related consolidated statements of income and comprehensive income, changes in stockholders' equity, and cash flows for the years then ended; and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

(Continued)

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Wamego Telephone Company, Inc. and its subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating information contained in pages 25 through 29 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

KCoe Isom, LLP

April 4, 2016
Salina, Kansas

FINANCIAL SECTION

Wamego Telephone Company, Inc.
CONSOLIDATED BALANCE SHEETS

December 31	2015	2014
ASSETS		
Current Assets		
Cash	\$ 1,525,317	\$ 1,383,999
Investment in securities available for sale (note 3)	6,926,604	8,472,353
Due from customers	11,501	29,989
Other accounts receivable	745,617	606,228
Income taxes receivable	365,910	-
Deferred income tax receivable	80,665	-
Notes receivable	2,130	1,958
Materials and supplies inventory	142,423	98,451
Prepaid expenses	315,274	163,417
Total Current Assets	10,115,441	10,756,395
Property, Plant, and Equipment (note 4)		
Telephone Plant in Service:		
General support assets	6,294,145	8,046,786
Central office equipment	8,221,435	7,712,733
Nonregulated equipment	1,879,885	1,474,108
Information origination/termination equipment	18,201	18,201
Outside plant	33,419,955	28,904,372
Total Telephone Plant in Service	49,833,621	46,156,200
Telephone plant under construction	1,942	185,330
Subtotal	49,835,563	46,341,530
Deduct: Accumulated depreciation	26,307,301	26,341,538
Total Property, Plant, and Equipment	23,528,262	19,999,992
Noncurrent Assets		
Investment in limited liability companies	394,372	394,626
Notes receivable	40,193	42,323
Goodwill - net (note 6)	29,920	33,660
Other investments (note 3)	95,076	70,118
Other asset (note 7)	82,540	54,691
Total Noncurrent Assets	642,101	595,418
TOTAL ASSETS	\$ 34,285,804	\$ 31,351,805

The accompanying notes are an integral part of these financial statements.

Wamego Telephone Company, Inc.
CONSOLIDATED BALANCE SHEETS
(Continued)

December 31	2015	2014
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	\$ 487,715	\$ 423,293
Customers' deposits	-	429
Other accrued taxes	82,568	84,580
Income taxes payable	-	267,715
Deferred income tax liability	41,885	57,017
Deferred compensation - current	112,500	112,500
Other current liabilities	135,464	125,368
Total Current Liabilities	860,132	1,070,902
Long-Term Obligations - Less Current Maturities		
Accumulated deferred income taxes	3,760,343	2,716,552
Notes payable - bank (note 7)	8,300,000	7,300,000
Deferred compensation payable	-	112,500
Accumulated post-retirement benefits (note 10)	490,363	360,263
Total Long-Term Obligations - Less Current Maturities	12,550,706	10,489,315
Stockholders' Equity		
Capital stock - common stock - \$10 par value;		
Authorized - 100,000 shares; Issued - 100,000 shares	1,000,000	1,000,000
Additional paid-in capital	28,540	28,364
Retained earnings	23,664,537	21,485,149
Accumulated other comprehensive income (loss) (note 11)	124,424	358,642
Subtotal	24,817,501	22,872,155
Deduct: Common stock held in treasury - at cost -		
2015 - 31,788 shares; 2014 - 28,889 shares	3,942,535	3,080,567
Total Stockholders' Equity	20,874,966	19,791,588
TOTAL LIABILITIES AND EQUITY	\$ 34,285,804	\$ 31,351,805

The accompanying notes are an integral part of these financial statements.

Wamego Telephone Company, Inc.**CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**

Years Ended December 31	2015	2014
Operating Revenues		
Local network service	\$ 2,807,900	\$ 1,856,691
Network access service	6,937,778	6,347,718
Long distance network service	254,883	233,272
Cable television	2,618,347	2,311,095
Internet	2,233,553	1,868,668
Miscellaneous	502,786	494,146
Uncollectible operating revenue - net (charge-offs)	(1,863)	(22,399)
Total Operating Revenues	15,353,384	13,089,191
Operating Expenses		
Plant specific operations	2,621,661	2,383,503
Plant nonspecific operations	2,117,458	1,954,726
Depreciation and amortization	2,977,886	3,102,419
Customer operations	1,628,384	1,195,295
Corporate operations	1,313,138	1,544,419
Total Operating Expenses	10,658,527	10,180,362
Operating Taxes (Benefits)		
Federal and state income taxes (note 8)	837,914	270,184
Federal and state income taxes - deferred (note 8)	1,082,826	773,943
Other operating taxes	151,625	151,055
Total Operating Taxes	2,072,365	1,195,182
Operating Income Before Fixed Charges	2,622,492	1,713,647
Fixed Charges		
Interest on debt	143,981	118,536
Allowance for funds used during construction	(17,356)	(35,302)
Total Fixed Charges	126,625	83,234
Operating Income	2,495,867	1,630,413
Nonoperating Income (Expense)		
Income from investments	44,883	321,967
Gain (loss) on disposal of telephone plant	31,811	(18,291)
Special charges	(53,007)	(36,415)
Federal and state income tax (expense) benefits on nonoperating income (note 8)	345,580	10,013
Other nonoperating (expense)	(81,302)	(80,377)
Net Nonoperating Income	287,965	196,897
Net Income	\$ 2,783,832	\$ 1,827,310

The accompanying notes are an integral part of these financial statements.

Wamego Telephone Company, Inc.**CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**

(Continued)

Years Ended December 31	2015	2014
Other Comprehensive Income (Loss) - Net of Tax (Note 11)		
Unrealized gains (losses) on securities and derivative position:		
Unrealized holding gains (losses) arising during the period	\$ (331,985)	\$ 112,775
Reclassification adjustments	184,298	(68,261)
Change in post-retirement benefit	(86,531)	221,827
Total Other Comprehensive Income (Loss) - Net of Tax	(234,218)	266,341
Net Comprehensive Income	\$ 2,549,614	\$ 2,093,651

The accompanying notes are an integral part of these financial statements.

Wamego Telephone Company, Inc.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
Balances - December 31, 2013	\$ 1,000,000	\$ 28,201	\$ 20,226,719	\$ 92,301	\$ (3,080,417)	\$ 18,266,804
Net comprehensive income for the year ended December 31, 2014	-	-	1,827,310	266,341	-	2,093,651
Purchase of 1 share of Treasury Stock	-	-	-	-	(257)	(257)
Dividends, \$8.00 per share, 71,110 shares outstanding on dividend record dates	-	-	(568,880)	-	-	(568,880)
Bonus of 1 share of Treasury Stock to employee	-	163	-	-	107	270
Balances - December 31, 2014	1,000,000	28,364	21,485,149	358,642	(3,080,567)	19,791,588
Net comprehensive income for the year ended December 31, 2015	-	-	2,783,832	(234,218)	-	2,549,614
Purchase of 2,900 shares of Treasury Stock	-	-	-	-	(862,075)	(862,075)
Dividends, \$8.50 per share, 71,111 shares outstanding on dividend record dates	-	-	(604,444)	-	-	(604,444)
Bonus of 1 share of Treasury Stock to employee	-	176	-	-	107	283
Balances - December 31, 2015	\$ 1,000,000	\$ 28,540	\$ 23,664,537	\$ 124,424	\$ (3,942,535)	\$ 20,874,966

The accompanying notes are an integral part of these financial statements.

Wamego Telephone Company, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 2,783,832	\$ 1,827,310
Adjustments to Reconcile Net Income to Net Cash Provided By (Used In) Operating Activities		
Reinvested dividends on investments	(60,163)	(73,161)
Depreciation of plant	2,974,146	3,098,679
Deferred income taxes	1,095,362	782,088
Amortization of goodwill	3,740	3,740
Amortization of loan issuance costs	(27,849)	9,652
Decrease in accrued post-retirement benefits	(10,878)	45,980
(Gain) loss on sale of investments	300,262	(111,211)
Net (gain) on disposal of telephone plant	(31,811)	18,291
Loss in earnings of limited liability companies	254	12,668
Noncash compensation paid to employee	283	270
(Increase) decrease in:		
Due from customers	18,488	(1,617)
Other accounts receivable	(139,389)	826,541
Income taxes receivable	-	363,258
Prepaid expenses	(151,857)	(20,786)
Increase (decrease) in:		
Accounts payable	149,897	16,876
Accrued income taxes	(633,625)	267,715
Other accrued taxes	(2,012)	(20,053)
Deferred compensation	(112,500)	225,000
Other current liabilities	10,096	14,752
Total Adjustments	3,382,444	5,458,682
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	6,166,276	7,285,992
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(5,156,691)	(4,729,134)
Proceeds from sale of investments	6,205,575	3,164,681
Proceeds from sale of property plant and equipment	7,628	2,805
Purchase of other investments	(8,800)	-
Expenditures for plant	(6,415,373)	(6,278,429)
Expenditures for the removal of telephone plant	(1,237)	(7,554)
Increase (decrease) in:		
Decrease in materials inventory	(43,972)	3,344
Decrease in notes receivable	1,958	1,800
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	\$ (5,410,912)	\$ (7,842,487)

The accompanying notes are an integral part of these financial statements.

Wamego Telephone Company, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Continued)

Years Ended December 31	2015	2014
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of accounts payable used to finance telephone plant acquisitions	\$ (147,098)	\$ (302,868)
Net borrowings on note payable	1,000,000	2,000,000
Expenditures for treasury stock	(862,075)	(257)
Dividends paid	(604,444)	(568,880)
(Decrease) in customers' deposits	(429)	(249)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(614,046)	1,127,746
Net Increase (Decrease) in Cash	141,318	571,251
Cash - Beginning of Year	1,383,999	812,748
Cash - End of Year	\$ 1,525,317	\$ 1,383,999
SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION		
Cash Paid (Received) During the Year For:		
Interest - net of capitalized interest of \$17,356 - 2015;		
\$35,302 - 2014	\$ 123,861	\$ 74,811
Income taxes (benefits) - net	\$ 1,113,422	\$ (378,947)
SUPPLEMENTARY SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Purchased additions to telephone plant - financed through increases in accounts payable	\$ 61,623	\$ 147,098

The accompanying notes are an integral part of these financial statements.

Wamego Telephone Company, Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. NATURE OF THE BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Business Wamego Telephone Company, Inc. holds investments and has three wholly owned subsidiaries, Wamego Telecommunications Company, Inc., WTC Communications, Inc., and WTC Technologies, Inc. The four companies are collectively referred to as the Company.

The Company is a local telephone company which operates three exchanges in northeast Kansas. The Company also invests in Internet operations, cable television operations, long-distance operations, and operates as a competitive local exchange carrier (CLEC).

Principles of Consolidation The accompanying consolidated financial statements include the accounts of the Wamego Telephone Company, Inc., Wamego Telecommunications Company, Inc., WTC Communications, Inc., and WTC Technologies, Inc. All significant intercompany accounts and transactions have been eliminated in the consolidation.

Industry Guidelines The accounting policies of the Company are from the Rules and Regulations, Part 32, Uniform System of Accounts for Class A and B Telephone Companies. These rules are continuously updated by the Federal Communications Commission (FCC). These policies are judged by management to be the most appropriate in the circumstances to present fairly the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in the United States of America for the industry.

Depreciation and Amortization Telephone plant in service and under construction are stated at cost. Normal retirements of telephone plant are charged against accumulated depreciation, along with the costs of removal, less salvage, with no gain or loss recognized. The Company provides for depreciation and amortization on a straight-line basis at annual rates which will amortize the property over its estimated useful life. Eligible additions to plant and equipment have been depreciated on an accelerated basis for income tax purposes and the resulting tax deferral has been recorded.

Impairment of Long-Lived Assets Long-lived assets and intangibles, including goodwill, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable from future, undiscounted net cash flows expected to be generated by the asset. If the asset is not fully recoverable, an impairment loss would be recognized for the difference between the carrying value of the asset and its estimated fair value based on discounted net future cash flows or quoted market prices. Assets to be disposed of are reported at the lower of their carrying amount or fair value less cost to sell.

Income Taxes Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes. Deferred taxes are recognized for differences between the basis of assets and liabilities for financial statement and income tax purposes. The differences relate primarily to available-for-sale securities, post-retirement benefit obligations, and depreciable assets (use of different depreciation methods and lives for financial statement and income tax purposes). The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will be deductible or taxable when the differences resolve.

Wamego Telephone Company, Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

It is the Company's policy to provide for uncertain tax positions and the related interest and penalties based upon management's assessment of whether a tax benefit is more likely than not to be sustained upon examination by taxing authorities.

At December 31, 2015 and 2014, the Company believes it has appropriately accounted for any unrecognized tax benefits. To the extent the Company prevails in matters for which a liability for an unrecognized tax benefit is established or is required to pay amounts in excess of the liability, the Company's effective tax rate in a given financial statement period may be affected.

Fair Value Measurements The Company has determined the fair value of certain assets and liabilities through application of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) *Fair Value Measurements* 820-10.

Fair value assets and liabilities are classified into a hierarchy of three levels based on the markets in which they are traded and the reliability of the assumptions used to determine the fair value. The assets or liability measurement level within the hierarchy is based on the lowest level of any assumption that is significant to the measurement.

Valuations within the hierarchy levels are based upon the following:

Level 1: Quoted market prices for identical instruments traded in active exchange markets.

Level 2: Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data.

Level 3: Model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect the Company's estimates of assumptions that market participants would use on pricing the asset or liability. Valuation techniques include management judgment and estimation which may be significant.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used during the years ended December 31, 2015 and 2014.

Mutual Funds: Each investor in the mutual fund will typically receive units of participation in the mutual fund. These units are valued daily, based on the underlying securities owned by the mutual fund, which are usually publicly traded debt or equity securities.

Exchange Traded Funds: These assets are valued at the net asset value reported on the active market on which the securities are traded. The valuation occurs throughout the day based on the market value of the underlying securities as well as the market supply and demand for the particular exchange traded fund.

Debt and Fixed Income Securities: Corporate and municipal bonds and other debt and fixed income securities are generally valued by a computerized pricing service, or for less actively traded issues, by utilizing a yield-based matrix system to arrive at an estimated market value.

Wamego Telephone Company, Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

Equity Securities: Equity securities are valued at the closing price reported on the active market on which the individual securities are traded.

Investments The classification of securities is generally determined at the date of purchase. Gains or losses on the sale of securities are recognized on a specific identification basis. Unrealized gains and losses are included as a separate component of stockholders' equity. The carrying value of investments in less than 20% owned closely held equity securities is carried at cost.

Inventories The materials and supplies inventory and nonregulated equipment inventory is valued at average cost which is in accordance with accepted industry practice.

Accounts Receivable and Bad Debt Expense Accounts receivable is presented at face value, net of the allowance for doubtful accounts. The allowance for doubtful accounts is established through provisions charged against income and is maintained at a level believed adequate by management to absorb estimated bad debts based on historical experience and current economic conditions. Management established an allowance for doubtful accounts at \$5,561 and \$14,112 as of December 31, 2015 and 2014, respectively. Late fees are charged on accounts receivable not paid by the due date.

Revenue Recognition Revenues are generally recognized and earned when evidence of an arrangement exists, service has been rendered, the selling price is determinable and collectability is reasonably assured. The Company records revenue net of applicable taxes.

Access Settlements The Company receives a portion of its interstate access revenues from settlement pools in which it participates with other telephone companies through the National Exchange Carrier Association, Inc. (NECA). These pools were established at the direction of the FCC and are funded by access service charges, which the FCC regulates. The process is subjected to continual monitoring and changes by the FCC. Any changes by the FCC could have an impact on future financial statements.

Revenues earned through this pooling process are initially recognized based on estimates and are subject to adjustments that may either increase or decrease the amount of interstate access revenues. If the actual amounts that the Company receives from the settlement pools differ from the estimated amounts recorded, the Company records the change as a current adjustment to earnings, which could have a significant impact on the financial statements. The Company uses the access charge bill and keep method for intrastate access revenue.

Advertising Costs Advertising costs are charged to expense as incurred. The amounts expensed during the years ended December 31, 2015 and 2014, were \$39,699 and \$21,344, respectively.

Cash Equivalents For purposes of the statements of cash flows, the Company generally considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Money market funds held by brokerage firms are included in cash.

Goodwill Goodwill represents the cost of an investment in a purchased division in excess of the underlying fair value of net identifiable assets as the date of acquisition. During 2014, the Company adopted FASB Accounting Standards Update No. 2014-02. This allows the Company to amortize goodwill over a ten year period.

Wamego Telephone Company, Inc.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Continued)

Use of Estimates The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events The Company has evaluated subsequent events through April 4, 2016, the date which the consolidated financial statements were available for issue.

2. FAIR VALUE

A summary of assets reported at fair value is as follows:

December 31, 2015	Level 1	Level 2	Level 3
Securities Available for Sale			
Mutual funds	\$ 2,298,326	\$ -	\$ -
Exchange traded funds	798,036	-	-
Equity securities	2,652,387	-	-
Corporate bonds	-	499,986	-
U.S. Government bonds	-	10,825	-
State and municipal government bonds	-	667,044	-
Totals	\$ 5,748,749	\$ 1,177,855	\$ -

December 31, 2014	Level 1	Level 2	Level 3
Securities Available for Sale			
Mutual funds	\$ 4,450,032	\$ -	\$ -
Exchange traded funds	386,617	-	-
Equity securities	1,985,759	-	-
Corporate bonds	-	584,312	-
U.S. Government bonds	-	61,499	-
State and municipal government bonds	-	1,004,134	-
Totals	\$ 6,822,408	\$ 1,649,945	\$ -

Wamego Telephone Company, Inc.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Continued)

3. INVESTMENTS

At December 31, 2015 and 2014, the investment securities portfolio was comprised of securities classified as available for sale.

The cost and fair values of investment securities available are as follows:

December 31, 2015	Cost	Gross Unrealized		Fair Value
		Gains	(Losses)	
Securities Available for Sale				
Mutual funds	\$ 2,399,371	\$ 277	\$ (101,322)	\$ 2,298,326
Exchange traded funds	821,627	85	(23,676)	798,036
Equity securities	2,391,764	275,428	(14,805)	2,652,387
Corporate bonds	531,987	876	(32,877)	499,986
U.S. Government bonds	10,590	235	-	10,825
State and municipal government bonds	650,512	19,962	(3,430)	667,044
Totals	\$ 6,805,851	\$ 296,863	\$ (176,110)	\$ 6,926,604

December 31, 2014	Cost	Gross Unrealized		Fair Value
		Gains	(Losses)	
Securities Available for Sale				
Mutual funds	\$ 4,441,790	\$ 164,385	\$ (156,143)	\$ 4,450,032
Exchange traded funds	357,829	32,022	(3,234)	386,617
Equity Securities	1,615,156	451,962	(81,359)	1,985,759
Corporate bonds	619,143	1,433	(36,264)	584,312
U.S. Government bonds	92,263	436	(31,200)	61,499
State and municipal government bonds	984,808	20,789	(1,463)	1,004,134
Totals	\$ 8,110,989	\$ 671,027	\$ (309,663)	\$ 8,472,353

For 2015 and 2014, the noncurrent other investments are carried at cost. It is impracticable to estimate a fair value for these investments because there is not an established market.

The following is a summary of maturities of debt securities available for sale as of December 31, 2015:

	Amortized Cost	Fair Value
Amounts Maturing In:		
One year or less	\$ -	\$ -
After one year through five years	237,056	215,986
After five years through ten years	432,630	424,025
After ten years	523,403	537,844
Totals	\$ 1,193,089	\$ 1,177,855

Wamego Telephone Company, Inc.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Continued)

4. INVESTMENT IN PROPERTY, PLANT, AND EQUIPMENT

Major classes of plant in service property, plant, and equipment and the annual depreciation rates utilizing the straight-line method for depreciation are presented as follows:

December 31	2015	2014	Annual Rate
Land	\$ 370,067	\$ 370,020	0.00%
Land - nonregulated	217,068	217,115	0.00%
Motor vehicles	944,356	682,553	26.27%
Other work equipment	267,774	225,087	23.98%
Heavy work equipment	434,769	401,186	23.98%
Mobile phones	92,704	88,607	23.98%
Buildings	321,327	4,874,285	5.02%
Buildings - nonregulated	2,729,863	352,687	2.56%
Billboard	5,100	5,100	14.29%
Furniture	238,521	234,000	15.57%
Furniture - nonregulated	23,549	2,546	14.29%
Office support equipment	43,801	43,801	18.10%
Other communication equipment	13,636	14,149	18.10%
General purpose computers	544,846	519,373	18.57%
General purpose computers - nonregulated	46,764	16,276	22.00%
Central office equipment	7,935,082	7,426,545	11.58%
Central office equipment - nonregulated	273,044	272,879	14.29%
Information origination/ termination equipment	18,201	18,201	22.18%
Aerial cable - nonregulated	719,506	725,199	17.58%
Cellular tower	17,413	-	16.00%
Buried cable	4,035,764	4,030,868	5.68%
Fiber cable	23,009,433	18,690,304	5.68%
Aerial fiber cable	156,534	156,534	5.68%
Fiber cable - nonregulated	1,006,793	957,808	5.68%
Circuit equipment - nonregulated	13,309	13,309	20.00%
Coax cable - nonregulated	1,218,396	1,218,396	14.29%
Cable television head end equipment - nonregulated	3,012,114	2,888,613	14.29%
Cable television tower - nonregulated	244,002	236,651	14.29%
Set top boxes - nonregulated	1,420,572	1,249,480	20.00%
HPBX systems - nonregulated	229,152	124,241	20.00%
Edge-Out systems - nonregulated	44,707	33,961	20.00%
Managed wifi accesspoints - nonregulated	130,186	60,951	33.34%
Video surveillance systems - nonregulated	53,689	5,475	33.34%
Home automation systems - nonregulated	1,579	-	33.34%
Total Plant in Service	\$ 49,833,621	\$ 46,156,200	

Wamego Telephone Company, Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

5. NONREGULATED ACTIVITIES

The Company provides nonregulated wire maintenance service, telephone apparatus sales, cable television service, Internet access service, and long-distance service to its customers. The nonregulated activities involve joint and shared use of assets. Revenues from these operations are 42% and 40% of total revenue for 2015 and 2014, respectively. The income tax effects of such activities are included in federal and state income taxes on the consolidated statements of income and comprehensive income.

A summary of net income from nonregulated activities is presented below:

Years Ended December 31	2015	2014
Revenues from nonregulated operations	\$ 6,516,971	\$ 5,240,878
Expenses of nonregulated operations	(4,501,680)	(4,034,032)
Subtotal	2,015,291	1,206,846
Federal and state income tax (expense) on net nonregulated income	(421,647)	(559,435)
Net Income from Nonregulated Operations	\$ 1,593,644	\$ 647,411

6. GOODWILL

Goodwill from the purchase of a cable television system is \$29,920 and \$33,660, net of amortization at December 31, 2015 and 2014. The company will recognize \$3,740 of amortization expense each year until December 31, 2023, when the goodwill becomes fully amortized.

7. LOAN AGREEMENTS

The Company obtained a \$14,000,000 loan commitment from CoBank, ACB in 2010. Commencing on September 30, 2011, the revolving loan commitment is permanently reduced by \$250,000 per quarter until June 30, 2015, and \$500,000 per quarter thereafter until June 30, 2020. The loan commitment at December 31, 2014, was \$10,500,000. At December 31, 2014, the Company had borrowed \$7,300,000, against this commitment. The Company paid interest at the variable rate, which was set weekly by CoBank, ACB. The interest rate was 1.67% at December 31, 2014. A 0.50% annual fee was charged for any unused portion of the commitment. The loan was secured by substantially all corporate assets. During 2015, this loan was refinanced.

The Company obtained a \$12,500,000 loan commitment from CoBank, ACB in 2015. Commencing on December 31, 2017, the revolving loan commitment is permanently reduced by \$250,000 per quarter until September 30, 2019, and \$500,000 per quarter thereafter until September 30, 2022. The loan commitment at December 31, 2015, was \$12,500,000. At December 31, 2015, the Company had borrowed \$8,300,000 against this commitment. The commitment provides the option between a variable rate and a fixed rate. The Company chose to pay interest at the variable rate, which is set weekly by CoBank, ACB. The interest rate was 1.93% at December 31, 2015. A 0.50% annual fee is charged for any unused portion of the commitment. The loan is secured by substantially all corporate assets. There are interest only payments due within the next five years. This commitment matures on

Wamego Telephone Company, Inc.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Continued)

September 30, 2022. The agreement contains certain restrictions and covenants, including maintenance of certain financial ratios as defined in the agreement.

The Company has prepaid loan costs that are amortized over the life of the loan. The amortized interest expense during 2015 and 2014 is \$9,652 and \$9,652, respectively. The remaining loan costs at December 31, 2015 and 2014, are \$82,540 and \$54,691, respectively.

8. INCOME TAXES

Income tax expense (benefit) is presented as follows:

Year Ended December 31, 2015	Operating	Non-Operating	Total
Current Income Tax Expense (Benefits)	\$ 837,914	\$ (358,116)	\$ 479,798
Deferred Income Taxes (Benefits) Related to:			
Depreciation and amortization	992,391	-	992,391
Post-retirement benefit	(55,017)	-	(55,017)
Investment income	-	12,081	12,081
Net operating loss carryforward	101,535	455	101,990
Deferred compensation	43,447	-	43,447
Other	470	-	470
Total Income Tax Expense	\$ 1,920,740	\$ (345,580)	\$ 1,575,160

Year Ended December 31, 2014	Operating	Non-Operating	Total
Current Income Tax Expense	\$ 270,184	\$ (18,158)	\$ 252,026
Deferred Income Taxes (Benefits) Related to:			
Depreciation and amortization	945,294	-	945,294
Post-retirement benefit	(17,757)	-	(17,757)
Investment income	-	7,837	7,837
Net operating loss carryforward	(66,130)	308	(65,822)
Deferred compensation	(86,895)	-	(86,895)
Other	(569)	-	(569)
Total Income Tax Expense	\$ 1,044,127	\$ (10,013)	\$ 1,034,114

The Company has a state capital loss carryover of \$963,000 that will not be recognized for state income tax purposes.

Corporate dividends received deductions of \$32,707 and \$24,327 for 2015 and 2014, respectively, were allowed in computing federal taxable income. Accordingly, the tax provision is less than that obtained by using the statutory corporate income tax rates on pretax income.

Wamego Telephone Company, Inc.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Deferred tax benefits (expenses) consist of the following components:

Years Ended December 31	2015		2014	
Deferred tax benefits	\$	526,209	\$	653,505
Deferred tax (expense)		(4,247,772)		(3,427,074)
Net Deferred Tax Benefits (Expense)	\$	(3,721,563)	\$	(2,773,569)

The Company has available a state net operating loss carry forward totaling approximately \$863,000 at December 31, 2015, to reduce future tax of the Company and its subsidiaries. Approximately \$571,000 of this carry forward expires in 2023 and \$292,000 in 2024.

The Company's policy is to include interest and penalties related to income tax liabilities, if any, in income tax expense. Income tax returns are subject to examination by the U.S. Federal and state tax authorities, generally for three years after they were filed.

9. PENSION TRUST PLAN

The Company participates in the Retirement & Security Program for Employees of the National Telecommunications Cooperative Association and its Member Systems, which is a trustee-managed multi-employer defined benefit pension plan. The plan provides retirement benefits to participants who meet certain age and length of service requirements. The Company makes annual contributions to the plan equal to its share of the fiscal year expense of the plan. The pension cost is allocated to plant and expense, based on activity. The Company has previously funded prior service costs. The plan's termination, the Company's voluntary withdrawal, or the mass withdrawal of all contributing employers from the plan would require the Company to make payments to the plan for its proportionate share of the multi-employer plan's unfunded vested liabilities. The 2015 and 2014 plan information presented below was obtained from the Annual Funding Notice provided by NTCA. For the years ended December 31, 2015 and 2014, the Company contributed \$355,931 and \$333,417, respectively.

Year	EIN	Plan Number	Surcharge Paid	Percent Funded	Plan Assets	Plan Liabilities
2015	52-0741336	333	Yes	> 80%	\$ 1,564,763,919	\$ 1,591,020,578
2014	52-0741336	333	Yes	> 80%	\$ 1,490,949,009	\$ 1,553,807,504

10. OTHER POST RETIREMENT BENEFITS

The Company participates in a defined post-retirement benefit plan through the National Telecommunications Cooperative Association (NTCA). The post-retirement benefits include certain medical benefits and telephone service for retired employees and directors. Substantially all of the Company's employees may become eligible to receive these benefits upon retirement. The estimated cost of plan benefits is accrued during the employee's service with the Company. The December 31, 2015, information is an estimate calculated from the October 1, 2015, valuation report provided by NTCA. The December 31, 2014, information presented is from the October 1, 2014, valuation report provided by NTCA.

Wamego Telephone Company, Inc.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Continued)

The following provides further information about the plan:

December 31		2015		2014
Accumulated post-retirement benefit obligation	\$	(3,579,317)	\$	(3,409,485)
Plan assets at fair value		3,088,954		3,049,222
Funded (Unfunded) Accumulated Post-retirement Benefit Obligation		(490,363)		(360,263)
Unrecognized net (gain) loss		(81,956)		(222,931)
(Accrued) Prepaid Pension Cost before Additional Minimum Liability	\$	(572,319)	\$	(583,194)
Amounts Recognized in the Balance Sheet				
Accumulated post-retirement benefit (liability)	\$	(490,363)	\$	(360,263)
Accumulated other comprehensive (gain) loss		(81,956)		(222,931)
Deferred tax asset (liability)		31,651		86,096
Totals	\$	(540,668)	\$	(497,098)
Amounts Recognized in Accumulated Other Comprehensive Income				
Net gain (loss)	\$	81,956	\$	222,931
Totals	\$	81,956	\$	222,931

Other changes in plan assets and benefit obligations recognized in comprehensive income:

Years Ended December 31		2015		2014
Prior service cost	\$	-	\$	-
Net gain (loss)		(144,975)		361,400
Totals	\$	(144,975)	\$	361,400

The estimated prior service cost for the plan that will be amortized from accumulated other comprehensive income into net periodic benefit cost over the next fiscal year is \$0. The net gain (loss) for the plan that will be amortized from accumulated other comprehensive income (loss) is based on market conditions and is currently not known.

The stated value of the plan assets is the fair value of the assets as of December 31, 2015 and 2014, respectively. All of the assets are traded in active markets and, accordingly, can be classified as Level 1 observable inputs with respect to related accounting standards.

Years Ended December 31		2015		2014
Net Pension Cost	\$	142,457	\$	45,980
Benefits Paid	\$	-	\$	46,289

Wamego Telephone Company, Inc.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Continued)

Weighted-average assumptions used to determine benefit obligations are as follows:

December 31	2015	2014
Discount Rate	4.50%	4.50%
Rate of Compensation Increase	3.00%	3.00%

Weighted-average assumptions used to determine net periodic benefit cost are as follows:

December 31	2015	2014
Discount rate	4.50%	4.50%
Expected long-term return on plan assets	7.25%	7.25%
Rate of compensation increase	3.00%	3.00%

The overall estimated rate of return is based on recent historical performance.

The medical inflation rate of 7.00% used to measure expected cost of benefits covered by the plan is anticipated to decline to 6.00% in the next year and over the following years as other sectors of the U.S. economy compete for the resources currently being consumed by health care. The medical inflation rate is assumed to decline gradually over the next three years until it reaches a level of 5.00% per year.

The Company's post-retirement benefit plan asset target and actual allocations by asset category for the alternate funding trust are as follows at December 31:

December 31	Target	2015	Actual 2014
Cash	2%	2%	2.0%
Equity securities	68%	67.9%	67.9%
Debt securities	22%	21.8%	21.8%
Real estate	8%	8.3%	8.3%
Totals		100.0%	100.0%

The Company's post-retirement benefit plan asset allocations by asset category for the 401(h) prefunding accounts are as follows at December 31:

December 31	Target	2015	Actual 2014
Equity Securities:			
Domestic	24%	27.9%	24.0%
International	26%	22.0%	26.0%
Private	10%	9.9%	10.0%
Debt securities	27.5%	26.2%	27.5%
Cash	2.5%	2.8%	2.5%
Real estate	10%	11.2%	10.0%
Totals		100.0%	100.0%

Wamego Telephone Company, Inc.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Continued)

The Company does not expect to make a prefunding contribution to the post-retirement benefit plan in 2016.

No plan assets are expected to be returned to the Company during 2016.

Based upon current data and assumptions, the following benefit payments, which reflect expected future service, as appropriate, are expected to be paid over the next 10 fiscal years:

Years Ending December 31	Amount
2016	\$ 104,442
2017	103,422
2018	106,512
2019	110,698
2020-2025	794,092
Total	\$ 1,219,166

11. OTHER COMPREHENSIVE INCOME (LOSS)

The components of other comprehensive income (loss) are as follows:

	Before Tax Amount	Tax (Expense) or Benefit	Net of Tax Amount
Year Ended December 31, 2015			
Other Comprehensive Income (Loss)			
Unrealized holding gains (losses) on securities arising during the period	\$ (540,870)	\$ 208,885	\$ (331,985)
Reclassification adjustments	300,262	(115,964)	184,298
Change in post-retirement benefit	(140,976)	54,445	(86,531)
Other Comprehensive Income (Loss)	\$ (381,584)	\$ 147,366	\$ (234,218)

	Before Tax Amount	Tax (Expense) or Benefit	Net of Tax Amount
Year Ended December 31, 2014			
Other Comprehensive Income (Loss)			
Unrealized holding gains (losses) on securities arising during the period	\$ 183,732	\$ (70,957)	\$ 112,775
Reclassification adjustments	(111,211)	42,950	(68,261)
Change in post-retirement benefit	361,400	(139,573)	221,827
Other Comprehensive Income (Loss)	\$ 433,921	\$ (167,580)	\$ 266,341

Wamego Telephone Company, Inc.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Continued)

The following table illustrates the components of accumulated other comprehensive income, net of tax as of December 31:

December 31		2015		2014
Unrealized gains (losses) on securities	\$	74,120	\$	221,807
Post-retirement benefit		50,304		136,835
Totals	\$	124,424	\$	358,642

12. CREDIT RISK

The Company grants credit to customers, substantially all of whom are local residents and businesses. Other receivables are primarily settlements from long-distance carriers that are subject to conditions in the telecommunications industry and accrued investment income. The Company has determined that no group of customers engaged in similar activities represents a material concentration of credit risk.

The Company has demand deposits at various financial institutions. Balances with certain financial institutions were in excess of the Federal insurance limitation at various times throughout the year.

The Company has investment securities held by a broker exceeding the \$500,000 Securities Investor Protection limitation. However, the broker provides supplemental protection for each client's account with a \$6,000,000 surety bond and a \$4,000,000 trust errors and omissions policy.

13. DEFERRED COMPENSATION

During 2014, the Company entered into deferred compensation agreements with an employee of the Company. Under the terms of the agreements, the Company is to pay the employee scheduled benefit amounts over a period of two years. The first payment was made January 2015 and the second payment will be made January 2016.

14. FUTURE OPERATIONS

A significant portion of the Company's operating revenues are subject to FCC and Kansas Corporation Commission regulation. Both commissions continue to make regulatory changes that affect the amount and allocation of revenue among regulation telephone companies. Management has reviewed and continues to review the impact of the regulatory changes on future revenues. Management anticipates that any negative effects of future revenues may be offset by future reductions in operating costs.

15. RESTATEMENT ON CONSOLIDATED FINANCIAL STATEMENTS

A gain attributable to the sale of property, plant, and equipment from Wamego Telecommunications Company, Inc. to WTC Communications, Inc. was not eliminated in the consolidated financial

Wamego Telephone Company, Inc.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Continued)

statements for 2014. The effects of the restatement on consolidated results of operations and financial position for the year ended December 31, 2014 are as follows:

	As Previously Reported		Restated
Depreciation	\$	3,169,667	\$ 3,102,419
Gain (loss) on disposal of telephone plant	\$	321,967	\$ (18,291)
Net income	\$	2,134,824	\$ 1,827,310
General support assets	\$	7,677,928	\$ 8,046,786
Accumulated depreciation	\$	25,665,166	\$ 26,341,538
Retained earnings	\$	21,792,663	\$ 21,485,149

SUPPLEMENTARY INFORMATION SECTION

Wamego Telephone Company, Inc.
CONSOLIDATING BALANCE SHEET

December 31, 2015	Wamego Telephone Company, Inc.	Wamego Tele-Communications Company, Inc.	WTC Communications, Inc.	WTC Technologies, Inc.	Intercompany Eliminations	Total
ASSETS						
Current Assets						
Cash	\$ 991,381	\$ 533,936	\$ -	\$ -	\$ -	1,525,317
Investment in securities available for sale	6,926,604	-	-	-	-	6,926,604
Due from customers	-	11,501	-	-	-	11,501
Other accounts receivable	68,850	726,208	458,948	10,000	(518,389)	745,617
Income taxes receivable	365,910	-	-	-	-	365,910
Deferred income tax receivable	-	80,665	-	-	-	80,665
Notes receivable	-	2,130	-	-	-	2,130
Materials and supplies inventory	-	109,660	32,763	-	-	142,423
Prepaid expenses	-	301,377	13,897	-	-	315,274
Total Current Assets	8,352,745	1,765,477	505,608	10,000	(518,389)	10,115,441
Property, Plant, and Equipment						
Telephone Plant In Service:						
General support assets	740	646,538	4,961,870	-	684,997	6,294,145
Central office equipment	-	7,935,082	286,353	-	-	8,221,435
Nonregulated equipment	-	-	1,879,885	-	-	1,879,885
Information origination/termination equipment	12,983	5,218	-	-	-	18,201
Outside plant	-	27,219,144	6,200,811	-	-	33,419,955
Total Telephone Plant In Service	13,723	35,805,982	13,328,919	-	684,997	49,833,621
Telephone plant under construction	-	1,942	-	-	-	1,942
Subtotal	13,723	35,807,924	13,328,919	-	684,997	49,835,563
Deduct: Accumulated depreciation	13,723	18,375,081	6,638,439	-	1,280,058	26,307,301
Total Property, Plant, and Equipment	-	17,432,843	6,690,480	-	(595,061)	23,528,262
Noncurrent Assets						
Investment in wholly-owned subsidiaries - at equity	12,183,520	-	-	-	(12,183,520)	-
Investment in limited liability companies	394,372	-	-	-	-	394,372
Notes receivable	-	40,193	-	-	-	40,193
Goodwill - net	-	-	29,920	-	-	29,920
Other investments	60,800	34,276	-	-	-	95,076
Other asset	-	82,540	-	-	-	82,540
Total Noncurrent Assets	12,638,692	157,009	29,920	-	(12,183,520)	642,101
TOTAL ASSETS	\$ 20,991,437	\$ 19,355,329	\$ 7,226,008	\$ 10,000	\$ (13,296,970)	\$ 34,285,804

Wamego Telephone Company, Inc.
CONSOLIDATING BALANCE SHEET (CONTINUED)

December 31, 2015	Wamego Telephone Company, Inc.	Wamego Tele-Communications Company, Inc.	WTC Communications, Inc.	WTC Technologies, Inc.	Intercompany Eliminations	Total
LIABILITIES AND EQUITY						
Current Liabilities						
Accounts payable	\$ -	\$ 790,249	\$ 215,855	\$ -	\$ (518,389)	\$ 487,715
Other accrued taxes	-	57,955	24,613	-	-	82,568
Deferred income tax liability	41,885	-	-	-	-	41,885
Deferred compensation - current	-	112,500	-	-	-	112,500
Other current liabilities	-	135,464	-	-	-	135,464
Total Current Liabilities	41,885	1,096,168	240,468	-	(518,389)	860,132
Long-Term Obligations - Less Current Maturities						
Accumulated deferred income taxes (benefit)	74,586	3,346,202	339,555	-	-	3,760,343
Notes payable - bank	-	8,300,000	-	-	-	8,300,000
Accumulated post-retirement benefits	-	490,363	-	-	-	490,363
Total Long-Term Obligations - Less Current Maturities	74,586	12,136,565	339,555	-	-	12,550,706
Stockholders' Equity						
Capital stock - common stock - issued	1,000,000	10,000	10,000	10,000	(30,000)	1,000,000
Additional paid-in capital	28,540	9,269,261	6,422,297	-	(15,691,558)	28,540
Retained earnings (deficit)	23,664,537	(3,206,970)	213,688	-	2,993,282	23,664,537
Accumulated other comprehensive income (loss)	124,424	50,305	-	-	(50,305)	124,424
Subtotal	24,817,501	6,122,596	6,645,985	10,000	(12,778,581)	24,817,501
Deduct: Common stock held in treasury - at cost	3,942,535	-	-	-	-	3,942,535
Total Stockholders' Equity	20,874,966	6,122,596	6,645,985	10,000	(12,778,581)	20,874,966
TOTAL LIABILITIES AND EQUITY	\$ 20,991,437	\$ 19,355,329	\$ 7,226,008	\$ 10,000	\$ (13,296,970)	\$ 34,285,804

Wamego Telephone Company, Inc.

CONSOLIDATING STATEMENT OF INCOME AND COMPREHENSIVE INCOME

Year Ended December 31, 2015	Wamego Telephone Company, Inc.	Wamego Tele-Communications Company, Inc.	WTC Communications, Inc.	WTC Technologies, Inc.	Intercompany Eliminations	Total
Operating Revenues						
Local network service	\$ -	2,518,944	\$ 288,956	\$ -	-	2,807,900
Network access service	-	7,197,395	167,248	-	(426,865)	6,937,778
Long distance network service	-	5,763	249,120	-	-	254,883
Cable television	-	-	2,618,347	-	-	2,618,347
Internet	-	-	2,283,677	-	(50,124)	2,233,553
Miscellaneous	-	309,626	909,623	-	(716,463)	502,786
Uncollectible operating revenue - net (charge-offs)	-	(1,863)	-	-	-	(1,863)
Total Operating Revenues	-	10,029,865	6,516,971	-	(1,193,452)	15,353,384
Operating Expenses						
Plant specific operations	-	3,013,145	375,103	-	(766,587)	2,621,661
Plant nonspecific operations	-	337,103	1,780,355	-	-	2,117,458
Depreciation and amortization	-	2,066,084	1,061,489	-	(149,687)	2,977,886
Customer operations	-	904,454	1,150,795	-	(426,865)	1,628,384
Corporate operations	-	1,224,960	88,178	-	-	1,313,138
Total Operating Expenses	-	7,545,746	4,455,920	-	(1,343,139)	10,658,527
Operating Taxes (Benefits)						
Federal and state income taxes	-	307,411	530,503	-	-	837,914
Federal and state income taxes - deferred	-	1,191,682	(108,856)	-	-	1,082,826
Other operating taxes	-	105,865	45,760	-	-	151,625
Total Operating Taxes	-	1,604,958	467,407	-	-	2,072,365
Operating Income Before Fixed Charges	-	879,161	1,593,644	-	149,687	2,622,492
Fixed Charges						
Interest on debt	-	143,981	-	-	-	143,981
Allowance for funds used during construction	-	(17,356)	-	-	-	(17,356)
Total Fixed Charges	-	126,625	-	-	-	126,625
Operating Income (Loss)	\$ -	752,536	1,593,644	\$ -	149,687	\$ 2,495,867

Wamego Telephone Company, Inc.

CONSOLIDATING STATEMENT OF INCOME AND COMPREHENSIVE INCOME (CONTINUED)

Year Ended December 31, 2015	Wamego Telephone Company, Inc.	Wamego Tele-Communications Company, Inc.	WTC Communications, Inc.	WTC Technologies, Inc.	Intercompany Eliminations	Total
Nonoperating Income (Expense)						
Income from investments	\$ 2,515,698	\$ 69,168	\$ -	\$ -	(2,539,983)	\$ 44,883
Gain (loss) on disposal of telephone plant	-	469,045	-	-	(437,234)	31,811
Special charges	-	(53,007)	-	-	-	(53,007)
Federal and state income tax (expense) on nonoperating income	353,322	(7,742)	-	-	-	345,580
Other nonoperating income (expense)	(85,188)	3,886	-	-	-	(81,302)
Net Nonoperating Income (Expense)	2,783,832	481,350	-	-	(2,977,217)	287,965
Net Income (Loss)	2,783,832	1,233,886	1,593,644	-	(2,827,530)	2,783,832
Other Comprehensive Income (Loss) - Net of Tax						
Unrealized gains (losses) on securities and post-retirement benefits:						
Unrealized holding gains arising during the period	(331,985)	-	-	-	-	(331,985)
Reclassification adjustment	184,298	-	-	-	-	184,298
Change in post-retirement benefit	(86,531)	(86,531)	-	-	86,531	(86,531)
Total Other Comprehensive Income (Loss) - Net of Tax	(234,218)	(86,531)	-	-	86,531	(234,218)
Net Comprehensive Income (Loss)	\$ 2,549,614	\$ 1,147,355	\$ 1,593,644	\$ -	\$ (2,740,999)	\$ 2,549,614